

MULTIMEDIA



UNIVERSITY

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

PBF0014 – INTRODUCTION TO PERSONAL FINANCE
(Foundation in Business)

12 OCTOBER 2017
2.30pm – 4.30pm
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **TWO** pages with **FIVE** questions only.
2. Answer **ALL** questions.
3. Write your answers in the Answer Booklet.

ESSAYS [100 MARKS]

Instructions: Answer **ALL** questions. Write your answers in the Answer Booklet.

QUESTION 1

- a) Peter is planning to apply for consumer loan from ABC Bank. You, as a banker of ABC Bank, explain to him in detail the **FOUR** decisions involved in taking a consumer loan. (16 marks)
- b) State **TWO** advantages and **TWO** disadvantages associated with the use of credit cards. (4 marks)

(Total 20 marks)

QUESTION 2

- a) List **THREE** keys to obtain a 'good' lease on a vehicle. (3 marks)
- b) List **FIVE** advantages for each decision for renting and buying a house. (10 marks)
- c) The reputation of the property developer is very important before you make your purchase. List **THREE** assessment tips in order to get a developer with good reputation. (3 marks)
- d) Malaysian government has offered two key schemes to young adults who are relatively new to the workforce for the purchase of their first house. List and briefly describe the **TWO** key schemes. (4 marks)

(Total 20 marks)

QUESTION 3

- a) In risk management, there are **THREE** ways that we can deal with risk. List and explain the ways. (6 marks)
- b) What is the purpose of insurance? Explain the difference between health and life insurance. (4 marks)

Continued...

c) What is Employees Provident Fund (EPF)? (3 marks)

d) State the **SEVEN** steps to fund your retirement needs. (7 marks)

(Total 20 marks)

QUESTION 4

a) List and explain in detail the **FOUR** steps in setting investment goals. (16 marks)

b) State the **TWO** options under lending investments, and **TWO** options under ownership investments. (4 marks)

(Total 20 marks)

QUESTION 5

a) Charles has been in a relationship with Chloe for few years and they have decided to get married. They are well aware of the importance of financial planning for a married couple. They need your advice on the **FIVE** steps involved in financial planning for a married couple. (15 marks)

b) Allen said that he has gone bankrupt. What is meant by bankruptcy? Briefly explain **THREE** of the implications of bankruptcy. (5 marks)

(Total 20 marks)

End of Paper